FISCAL IMPACT STATEMENT ON BILL NO. **S. 119**
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TO:	The Honorable Harvey S. Peeler, Chairman, Senate Medical Affairs Committee
FROM:	Office of State Budget, Budget and Control Board
ANALYSTS:	R.J. Stein, Torina Wood
DATE:	February 4, 2009 SBD: 2009076

AUTHOR:	Senator Knotts	PRIMARY CODE CITE: 44-7-110
SUBJECT:	Certificate of Need program	

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 119 (the companion Bill to H. 3205) amends Title 44, Chapter 7 by abolishing the Certificate of Need (CON) program administered by the Department of Health & Environmental Control.

EXPLANATION OF IMPACT:

Department of Health & Environmental Control

The Department estimates it spends $325,500 annually implementing the Certificate of Need (CON) program. Another $100,000 in other funds revenue is dedicated to covering program expenses. DHEC indicates CON civil penalty fine revenue is remitted to the State General Fund.

Department of Health & Human Services (DHHS)

DHHS reports the proposed Bill would potentially increase the number of medical facilities offering care to Medicaid patients. DHHS estimates that Medicaid covers approximately 20% of all health care costs in the State and anticipates additional new facilities would provide Medicaid reimbursable services. DHHS identifies hospital days and ambulatory surgeries as services most likely to increase under the proposed Bill although these are not the only services that might be impacted. If DHHS pays for an additional 1,000 hospital days and 1,000 ambulatory surgeries annually, DHHS estimates a total recurring cost of approximately $1,225,000 ($367,500 state and $857,500 federal).

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:

Harry Bell
Assistant Director, Office of State Budget

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